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C O N F I D E N T I A L SECTION 01 OF 02 WELLINGTON 000594

SIPDIS

STATE FOR D (CASTRO), EAP/FO, EAP/P AND EAP/ANP
STATE PASS DEPT OF AGRICULTURE
NSC FOR VICTOR CHA AND MICHAEL GREEN
SECDEF FOR OSD/ISA LIZ PHU
PACOM FOR J2/J233/J5/SJFHQ
USDA FOR SECRETARY JOHANNES AND FAS/ELLEN TERPSTRA AND MIKE
CONLON

E.O. 12958: DECL: 08/02/2015

TAGS: [PREL](#) [PGOV](#) [NZ](#)

SUBJECT: LABOUR AGAIN WAVES ANTI-AMERICAN CARD IN ITS
CAMPAIGN

REF: WELLINGTON 566

Classified By: Charge David R. Burnett,
for reasons 1.4 (b) and (d).

[11.](#) (C) Summary: During Parliament's last "Question Time" before election recess, Foreign Minister Phil Goff again highlighted tidbits of Codel Nickles' January 2004 meeting with National Party leadership to claim National has a hidden agenda to lift the country's nuclear ban. No doubt in response to the Embassy's protests after Minister Mallard claimed US-interests were funding National's campaign, Goff limited his criticism to remarks allegedly made to the Codel by the Nat's foreign affairs spokesman, Lockwood Smith. While quoting Senator Nickles' response, Goff characterized it as "appropriate." The Embassy has not yet been asked to comment on the latest outburst, but if we are we will reissue our previous statement that the U.S. Government has neither sought nor received assurances from any NZ political party. Labour clearly believes that stirring up anti-American sentiment is a vote-getter, and will continue to play the anti-U.S. card in the run up to September's elections. End Summary.

[12.](#) (SBU) During Parliament's final question and answer session on August 2, Foreign Minister Goff claimed that Smith had asked the visiting U.S. Senate delegation if assistance from a United States think tank would be worthwhile for a public campaign on New Zealand's nuclear-free policy. Once again citing confidential minutes taken by an MFAT official at the January 2004 meeting (reftel), Goff claimed that delegation head Senator Don Nickles had responded that the "(nuclear-free policy) was an internal issue for New Zealand, and as such should be left to a New Zealand think tank." Goff said that the United States recognized, as Smith had not, that it was inappropriate for U.S. interests to intervene in New Zealand's domestic affairs. ACT MP Rodney Hide promptly duly remarked that this claim completely contradicted Labour's previous innuendoes that Washington is funding National's campaign. (Comment: We note that no one in Parliament or the media has asked how much the Labour government has spent lobbying the U.S. Congress for a Free Trade Agreement. End Comment.)

[13.](#) (SBU) The new public allegation against Smith escalates the Labour Party's effort to paint the National Party as seeking to change the landmark legislation that bans nuclear arms and nuclear-propelled vessels from New Zealand. The story commanded top billing in New Zealand's print media and led morning reports on radio. It therefore handily pushed to the margins coverage of the trial that began this week in Christchurch for 5 policemen and a civilian driver accused of driving at speeds of up to 170 km to get Prime Minister Clark to the airport in time to catch a flight to a rugby match last July. (The PM will not be asked to testify: she claims she was reading at the time and failed to notice the speed.)

[14.](#) (C) National has strongly denied the Government's claims, but its unclear whether the response will resonate with the public. During Goff's barrage, Smith hotly denied he had made any proposal for a U.S.-funded campaign to change anti-nuclear legislation. He challenged Goff to table the entire transcript of the Codel meeting, which Goff refused to do, arguing that he needed to protect the confidentiality of the Senators' remarks. (Comment: Apparently, Goff believes that former Senator Nickles' remarks are no longer covered by that policy. End Comment.) In a radio interview this morning, Smith said that what he was trying to address was a need to bring enough information to the public that they can make an informed decision about whether the legislation, and the current problems in US-NZ relations, are in New Zealand's interests. National Leader Don Brash told one TV journalist yesterday evening that he could not recall if Smith made the alleged comment, noting that it was a long time ago. The Prime Minister, quipped Brash, cannot recall whether her motorcade was speeding and that was only a year ago. He did own that "it would be inappropriate for any foreign think

tank or lobby groups to be used to influence public opinion in New Zealand." He reiterated -- often -- that National has pledged not to alter the nuclear legislation without a referendum. Brash left out (no doubt intentionally) that the party has also previously said it might change the legislation if elected on a platform that pledged to do so.

15. (C) In a supplementary question, Ken Shirley MP of the ACT Party asked Goff if the anti-nuclear legislation banned nuclear electricity generation or a small nuclear reactor that has been operating in suburban Wellington since the 1960s. Goff responded that nothing in the legislation "prohibits a nuclear power plant, but no party in this House has ever been stupid enough to advocate that." Goff's comment represents the Government's clearest acknowledgment to date that there are notable exceptions to the New Zealand's nuclear-free legislation and its associated policies.
Burnett